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For Immediate Release
June 8, 2011
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Beverly Hills City Council Approves Annual Municipal Budget

Budget Reflects Impacts of Recession, While Preserving Vital City Services

Beverly Hills, CA – The Beverly Hills City Council adopted a Fiscal Year 2011/12 annual budget of approximately \$418 million that maintains core city services and includes \$55.9 million in capital projects. The budget, adopted at the June 7th City Council meeting, fills an approximate \$4.5 million gap in the General Fund, brought about by weak revenues from the slow economic recovery and rising costs. Over 75 percent of the City's general fund revenue comes from retail, hotel and other business taxes.

"The City Council has approved a balanced budget that maintains the most critical programs and services," said Dr. Scott Miller, the City's Chief Financial Officer. "It was an especially difficult task this year because we reduced more than \$9 million last year and \$18 million the year before," he continued.

The City's budget reflects community priorities and impacts every resident, business and visitor. The budget affects how public safety, parks, roads, sanitation, parking, and services are funded for the community. The City Council established several guiding principles and policies that focused the direction of the budget, including maintaining public safety, preserving core services and maintaining the financial reserve fund. The FY 2011/2012 budget process included a series of public budget sessions. The City's elected Treasurer, Eliot Finkel, also solicited the assistance and expertise of the Citizen's Budget Review Committee, which critically evaluated the budget process and provided ideas for creating additional revenue and spending cuts.

The City has implemented cost saving strategies, achieving a balanced budget as required by law. To meet the needed \$4.5 million in budget cuts, one time and on-going reductions have been made:

- Reduction of future year funding of small equipment and furniture, while maintaining an investment in future replacements (\$1.9 million)
- Reduction of the General Fund contribution to Capital Improvements Fund by \$500,000

- Reduce General Fund charges for Information Technology equipment replacement by \$360,000
- Extension of the useful lives of underutilized vehicles thereby reducing the cost vehicle replacement to the General Fund, saving \$200,000.
- Change in the manner in which certain paid employee leaves are administered which will result in savings of \$400,000.
- Requiring non-safety employees to take five days of furlough in FY 2011/12 for a savings of \$320,000.

More information about the Beverly Hills City budget can be found on the City's website at www.beverlyhills.org/budget.

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